



**DEPARTMENT OF THE TREASURY**  
**INTERNAL REVENUE SERVICE**  
**1100 Commerce Street, MC 4920DAL**  
**Dallas, TX 75242**

**TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION**

Number: **202052044**  
Release Date: 12/24/2020

UIL: 501.03-00

**Date:** June 19, 2020

**Taxpayer ID Number:**

**Form:**

**Tax Period(s) Ending:**

**Person to Contact:**

**Identification Number:**

**Telephone Number:**

**Fax Number:**

**CERTIFIED MAIL – Return Receipt Requested**  
**LAST DAY FOR FILING A PETITION WITH THE TAX COURT:**

Dear \_\_\_\_\_ :

This is a final determination that you do not qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), effective January 1, 20XX. Your determination letter dated April 5, 20XX is revoked.

Our adverse determination as to your exempt status was made for the following reasons:

You did not respond to our requests for information about your finances and activities necessary to complete the examination. You have not demonstrated that you are organized and operated exclusively for exempt purposes within the meaning of IRC Section 501(c)(3).

As such, you failed to meet the requirements of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a), in that you have not established that you were organized and operated exclusively for exempt purposes and that no part of your earnings inured to the benefit of private shareholders or individuals.

Contributions to your organization are no longer deductible under IRC Section 170.

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms, and information please visit [www.irs.gov](http://www.irs.gov).

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of IRC Section 7428 in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims, or 3) the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed within 90 days from the date this determination was mailed to you. Please contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment by referring to the enclosed Publication 892. You may write to the courts at the following addresses:

United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

U. S. Court of Federal Claims  
717 Madison Place, NW  
Washington, DC 20005

U. S. District Court for the District of Columbia  
333 Constitution Ave., NW  
Washington, DC 20001

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

We'll notify the appropriate state officials (as permitted by law) of our determination that you aren't an organization described in IRC Section 501(c)(3).

You may be eligible for help from the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 1-877-777-4778.

Taxpayer Advocate assistance can't be used as substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determination, nor extend the time fixed by law that you have to file a petition in Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

You can get any of the forms or publications mentioned in this letter by calling 800-TAX-FORM (800-829-3676) or visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs).

If you have any questions about this letter, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Enclosures:

Publication 892



Sean E. O'Reilly  
Director, EO Examinations



**Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities  
Exempt Organizations Examinations**

Date: 6-22-18

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact:

Mona Shipman

Employee ID:

Telephone:

Fax:

Manager's Contact Information:

Telephone:

Response Due Date:

**CERTIFIED MAIL – Return Receipt Requested**

Dear :

**Why you're receiving this letter**

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

**If you agree**

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501 (c) (3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

**If you disagree**

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the IRS Appeals Office enough time to consider your case. For your protest to be valid, it

must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

**If we don't hear from you**

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final adverse determination letter.

**Contacting the Taxpayer Advocate Office is a taxpayer right**

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

**For additional information**

You can get any of the forms and publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can contact the person shown at the top of this letter.

Sincerely,

 Paul R Herzog

Paul Herzog for:  
Maria Hooke  
Director, Exempt Organizations  
Examinations

Enclosures:  
Form 886-A  
Form 6018  
Publication 892  
Publication 3498-A

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX

**ISSUE:**

Whether the IRC (Internal Revenue Code) §(section) 501(c)(3) tax exempt status of should be revoked because it is not operated exclusively for tax exempt purposes?

**FACTS:**

(the "Organization") is an exempt organization under IRC § 501 (c)(3) as a public charity and not a private foundation. The Organization files an annual Form 990, "Return of Organization Exempt From Income Tax Under Section 501(c) of the Internal Revenue Code". The return is due by the 15<sup>th</sup> day of the 5<sup>th</sup> month following the close of their tax year. The Organization last filed a return for year ending December 31, 20XX.

For year ending December 31, 20XX, a Form 990 was not filed with the IRS. This return was due to the IRS by May 15, 20XX. A return has not been received by the IRS as of June 20XX.

**Organizing Documents:**

The Organization applied for exempt status by completing and submitting a Form 1023 (Application for Recognition under Section 501(c)(3) of the Internal Revenue Code) to the Internal Revenue Service (IRS). The Form 1023 was received by the IRS on December 27, 20XX. In Part II, "Organizational Structure", the Organization checked "yes" for their status as a "corporation". The Organization answered "no" to the Form 1023 questions on their status as a "limited liability corporation", an "unincorporated association", and "trust".

The Articles of Incorporation submitted with the Form 1023 listed the Organization's name as listed as a corporation formed under and pursuant to chapter 37A of the Statutes, a Non-profit Corporation Act. The Articles stated they were a corporation described under IRC § 501(c)(3).

**Form 990-EZ filed for year ending December 31, 20XX:**

A Form 990-EZ was filed with the IRS for 20XX cr4. The 20XX Form 990 Part V, line 36 included a question regarding their operations:

*"Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year?"*

The response to this question by the Organization was "no".

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX

Correspondence issued for 20XX Form 990:

The IRS began an examination of the 20XX tax year. On April 20, 20XX, we issued Letter 3611, Information Document Request (IDR) 1, IDR 2, and Publication 1 (Your Rights as a Taxpayer). The proposed examination date(s) were May 21 through May 24, 20XX. The envelope containing our correspondence was returned unopened to the \_\_\_\_\_, IRS office as undeliverable by the US Post Office.

On May 16, 20XX, we issued a "Draft" Audit Report, Letter, and Publication 3498 by Certified Mail to \_\_\_\_\_ at the following address: \_\_\_\_\_, \_\_\_\_\_. The Audit Report explained that the Organization failed to file a tax return for 2016. The Certified Mail postcard was signed and returned to the \_\_\_\_\_, IRS office with a signature by \_\_\_\_\_.

The letter and Report requested the Organization respond by June 13, 20XX with a completed Form 990 for year ending December 31, 20XX. No response was received by the due date.

Secretary of State Business Records review:

The annual filing with the \_\_\_\_\_ Secretary of State is available for public review at \_\_\_\_\_ from December 15, 20XX to July 30, 20XX. The website listed the filings as a corporation for \_\_\_\_\_ As of March 8, 20XX, the website listed the Organization as "involuntary dissolution".

**LAW:**

Internal Revenue Code (IRC) section (§) 501(c)(3) exempts from Federal income tax: corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

IRC § 6011(a) provides that the Secretary shall require any person made liable for any tax imposed by this title, or with respect to the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary. Every person required to make a return or statement shall include therein the information required by such forms or regulations.

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX	

IRC § 6033(a) provides that every organization exempt from taxation under section 501(a) of the IRS shall file an annual return, stating specifically the items of gross income, receipts, and disbursements.

Treas. Reg. § 1.6001-1(e) states that the books or records required by this section shall be kept at all times and made available for inspection to authorized Internal Revenue Service officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

Revenue Ruling 59-95, 1959-1 CB 627, (Jan. 01, 1959) explains that an organization previously held exempt from Federal income tax was requested to produce a financial statement as of the end of the year and a statement of its operations during such year. However, its records were so incomplete that it was unable to furnish such statements. Section 6033 of the IRC provides that every organization, except as provided therein, exempt from taxation under section 501(a) of the Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and shall keep such records, render under oath such statements, make such other returns and comply with such rules and regulations as the Secretary of the Treasury or his delegate may from time to time prescribe.

### **GOVERNMENT'S POSITION:**

The Organization has not provided evidence that they are operated exclusively for exempt purposes within the meaning of Internal Revenue Code (IRC) section 501(c)(3) as a public charity.

The Organization was issued Letter 3611, Information Document (IDR) 1, IDR 2, and Publication 1 on April 20, 20XX. This correspondence requested information on your operations as an exempt organization, your activities as an exempt organization, along with required filing of the annual Form 990 series information return (Form 990, Form 990-EZ, or Form 990-N) for 20XX. Under Treas. Reg. 1.6001-(e), the exempt organization was required to provide books and records for . The IRS was not provided books and records for 20XX as requested in IDR 1 and IDR 2.

The correspondence was returned as undeliverable to the IRS office.

On May 16, 20XX, a Letter was issued to , in care of . The Letter included a Draft Audit Report that explained the required Form 990 series to be filed with the IRS and proposed revocation if the return was not filed. Under IRC § 6011, the tax return must be filed annually with the IRS to maintain tax exempt status. The response date was June 13, 20XX. The Organization did not respond to the Audit Report by telephone or in writing. The Organization did not complete and submit a Form 990 for year ending December 31, 20XX.

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX	

As an exempt organization under IRC §501 (c)(3), an annual return must be filed as provided under IRC § 6033 and as explained in Rev Ruling 59-95. In addition to the annual return, a request for information under IRC §6011 that documents or substantiates the information on the annual return be provided to the IRS as requested.

In conclusion, the Organization has failed to file an annual return and provide documents to support the information on the annual return. They have not provided information showing they continue to be exempt and should be revoked as an exempt organization under IRC §501 (c)(3). The revocation will be effective January 1, 20XX, with an annual Form 1120 required to be filed by the due date with the IRS.

### **TAXPAYER'S POSITION:**

The taxpayer's position on revocation of their exempt status is unknown. The taxpayer has been notified by mail to provide information on their continued status as an exempt organization under IRC §501 (c)(3). The taxpayer has not contacted the Revenue Agent as listed in the correspondence issued on April 20, 20XX and May 16, 20XX.

### **CONCLUSION:**

has not filed their annual Form 990 for tax year ending December 31, 20XX. The return was due May 17, 20XX, with no extensions to file requested for the 20XX year. The Report showed the taxpayer is not meeting their status as an exempt organization under IRC §501(c)(3), with revocation of their exempt status proposed effective January 1, 20XX. The taxpayer will file a Form 1120 with the IRS beginning with tax year 20XX.